STATE OF ARIZONA FILED

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STATE OF ARIZONA

DEPT OF INSURANCE

DEPARTMENT OF INSURANCE BY

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In the Matter of:

PENROD, JEFFREY VERNE

dba STRIPES BAIL BONDS

(National Producer Number 8317570)

(Arizona Legacy License No. 188920)

Petitioner.

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No. 16A-095-INS

ORDER

On January 25, 2018, the Office of Administrative Hearings, through Administrative Law Judge Kay Abramsohn, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Interim Director of the Department of Insurance ("Interim Director") on January 26, 2018, a copy of which is attached and incorporated by this reference. The Interim Director of the Department of Insurance has reviewed the Recommended Decision and enters the following Order:

- The Interim Director adopts the Recommended Findings of Fact and Conclusions of Law.
- The Interim Director revokes the Arizona resident insurance bail bond agent license of Jeffrey Verne Penrod dba Stripes Bail Bonds effective immediately.

NOTIFICATION OF RIGHTS

Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Petitioner may request a rehearing with respect to this order by filing a written motion with the Interim Director of the Department of Insurance within 30 days of the date of this Order, setting forth the basis for relief under A.A.C. R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to Superior Court.

1 Petitioner may appeal the final decision of the Interim Director to the Superior Court 2 of Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal 3 must notify the Office of Administrative Hearings of the appeal within ten days after filing 4 the complaint commencing the appeal, pursuant to A.R.S. § 12-904(B). DATED this 26 m day of January, 2018. 5 6 7 8 9 10 11 12 Jeffrey Verne Penrod dba Stripes Bail Bonds 13 5801 E. Main Street, #114 Mesa, Arizona 85205 14 Petitioner 15 Jeffrey Verne Penrod dba Stripes Bail Bonds 16 P.O. Box 21144 Mesa, Arizona 85277-1144 17 Petitioner 18 Jeffrey Verne Penrod dba Stripes Bail Bonds 19 7464 E. Ivy Street Mesa, Arizona 85207 20 Petitioner 21 Liane Kido **Assistant Attorney General** 22 State Government Division Agency Counsel Section 15 S. 15th Ave. 23 Phoenix, Arizona 85007 24 Office of Administrative Hearings

1400 West Washington, Suite 101

Phoenix, Arizona 85007

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Leslie R. Hess, Interim Director

Arizona Department of Insurance

1	COPY of the foregoing delivered, same date, to:
2	Mary Kosinski, Regulatory Legal Affairs Officer
3	Catherine O'Neil, Consumer Legal Affairs Officer Steven Fromholtz, Assistant Director – Consumer Protection Division Dan Ray, Investigator
4	Sharyn Kerr, Consumer Protection Division
5	Arizona Department of Insurance 2910 North 44th Street, Suite 210 Phoenix, Arizona 85018
6	COPY of the foregoing delivered electronically, same date, to:
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8	Jeffrey Verne Penrod dba Stripes Bail Bonds info@stripesbailbonds.com
9	Petitioner
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JAN 26 2018

IN THE OFFICE OF ADMINISTRATIVE HEARINGS

DEPT CEINSURANCE

In the Matter of:

No. 16A-095-INS

PENROD, JEFFREY VERNE dba STRIPES BAIL BONDS (National Producer No. 8317570), (Legacy License No. 188920) ADMINISTRATIVE LAW JUDGE DECISION

Petitioner.

HEARING: January 5, 2018.

<u>APPEARANCES</u>: Assistant Attorney Lynette Evans represented the Arizona Department of Insurance (hereinafter "Department"). Jeffrey Verne Penrod (hereinafter "Petitioner" or "Mr. Penrod") did not appear.

ADMINISTRATIVE LAW JUDGE: Kay Abramsohn

FINDINGS OF FACT

- 1. On or about December 1, 2017, a Notice of Hearing was issued to the parties advising of hearing date and time of January 5, 2018, at 9:00 a.m., at the Office of Administrative Hearings located at 1400 West Washington, Suite 101, Phoenix, Arizona.
- 2. The Tribunal waited a minimum of 15 minutes to convene the hearing in order to afford additional time for Mr. Penrod to appear. Mr. Penrod did not contact the Office of Administrative Hearings to advise of any reason for his absence or a delay, nor did he request to appear telephonically or that the hearing be continued. Therefore, the hearing proceeded in Mr. Penrod's absence.¹
- 3. At all times relevant to this matter, Petitioner is and was licensed as an Arizona bail bond agent, National Producer Number 8317570, by the Department. Petitioner's National Producer Number 8317570 will expire on April 30, 2018.²
- 4. Petitioner has four addresses of record with the Department: a business address at 5801 E. Main Street, #114, Mesa, Arizona 85205; a business mailing address in care of Stripes Bail Bonds, P.O. Box 21144, Mesa, Arizona 85277-1144; a business email at info@stripesbailbonds.com; and, a residence address at 7464 E. Ivy Street, Mesa, Arizona 85207.

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¹ A.A.C. R2-19-117.

² See Department's Exhibit 1.

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- 5. On November 15, 2016, the Department issued its ORDER SUMMARILY SUSPENDING LICENSE AND NOTIFICATION OF RIGHTS ("ORDER"). See Exhibit 2. The Department took this action following its efforts to reach Petitioner by mail and by phone to obtain information and subpoenaed documents, to which Petitioner failed to respond and appear.³ The ORDER noted those stated violations of statute and rule the Department found based on Petitioner's failures to respond and appear. In conclusion, the ORDER determined that it was appropriate to suspend Petitioner's National Producer License Number and Arizona Legacy License. The ORDER notified Petitioner of the
- In March 2017, the Department again attempted to reach Petitioner with a Subpoena for documents and an appearance on April 14, 2017. See Exhibit 8. Although delivered to the residence address and signed for, 4 Petitioner failed to appear at the noted time and place with the documents.
- 7. On April 22, 2017, Petitioner contacted the Department regarding the requested documents. See Exhibit 10.
- 8. On November 7, 2017, Petitioner reached out to the Department with a letter explaining the associated circumstances from October of 2015 through the present. See Exhibit 6.
- 9. Pursuant to Arizona Revised Statues ("A.R.S.") 41-1092.03(C), the Department determined to accept Petitioner's untimely appeal of the summary suspension. However, at the time set for hearing, Petitioner failed to appear in this matter.
- 10. The Department argued that Petitioner's License should be revoked based on Petitioner's failure to abide by the applicable rules and laws and the failure to produce the requested documents in regard to his business operations. The Department requested that the summary suspension be upheld and that Petitioner's License be revoked.

CONCLUSIONS OF LAW

4 See Exhibit 9.

³ See Exhibits 3 and 4. A certified mailing with the Subpoena that was sent to Petitioner's residence in September 2016 was signed for by Petitioner's wife. See Exhibit 5.

- 1. This matter is a disciplinary proceeding wherein the Department must prove by a preponderance of the evidence that Petitioner violated the State's Insurance Laws. See A.A.C. R2-19-119.
- 2. Respondent's conduct, as set forth in the ORDER and in the Notice of Hearing, constitutes a violation of A.R.S. § 20-340.01(E) by failing to have and maintain a place of business in this State that is accessible to the public and where the bail bond agent principally conducts transactions under the agent's license.⁵
- 3. Respondent's conduct, as set forth above, constitutes a violation of Title 20 or any rule, subpoena or order of the Director, within the meaning of A.R.S. § 20-295(A)(2) as applied to bail bond agents pursuant to A.R.S. § 20-340.06.⁶
- 4. Based on the foregoing, grounds exist for the Director of the Department to suspend, revoke, or refuse to renew Petitioner's License pursuant to A.R.S. § 20-295(A) and (F).

RECOMMENDED ORDER

The Department's action to summarily suspend Petitioner's License is upheld and Petitioner's License shall be revoked on the effective date of the Department's Order entered in this matter.

In the event of certification of the Administrative Law Judge Decision by the Director of the Office of Administrative Hearings, the effective date of the Order will be five (5) days from the date of that certification.

Each bail hand agent shall have and maintain a place of business in this state that is accessible to the public and where the bail bond agent principally conducts transactions under the agent's license.

⁶ A.R.S. § 20-295(A) provides, in relevant part, as follows:

The director may deny, suspend for not more than twelve months, revoke or refuse to renew an insurance producer's license or may impose a civil penalty in accordance with subsection F of this section or any combination of actions for any one or more of the following causes:

2. Violating any provision of this title or any rule, subpoena or order of the director.

A.R.S. § 20-340.06 provides as follows:

To the extent not inconsistent with this article, sections 20-281, 20-284 and 20-285, section 20-286, subsections B, C and D, section 20-288, subsection B and sections 20-289, 20-289.01, 20-292, 20-295, 20-296, 20-297, 20-298, 20-299, 20-301 and 20-302 apply to bail bond agents.

⁵ A.R.S. § 20-340.01(E) provides as follows:

Done this day, January 25, 2018.

/s/ Kay Abramsohn Administrative Law Judge

Transmitted electronically to:

Leslie R. Hess, Interim Director Arizona Department of Insurance